

h7c2deaC kjc

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 UNITED STATES OF AMERICA,

New York, N.Y.

4 v.

17 Cr. 398 (ER)

5 PAUL DEAN, ROBERT ESPINEL, AND  
6 GAETANO VELASTRO,

Defendants.

7 -----x  
8 July 12, 2017  
9 3:05 p.m.

10 Before:

11 HON. EDGARDO RAMOS,

District Judge

12  
13 APPEARANCES

14 JOON H. KIM  
15 Acting United States Attorney for  
the Southern District of New York  
16 BY: KAN M. NAWADAY  
LAUREN B. SCHORR  
RUSSELL CAPONE  
17 Assistant United States Attorneys

18 LAW OFFICES OF ABE GEORGE, P.C.  
19 Attorney for Defendant Dean  
20 BY: ABRAHAM GEORGE

21 THE PASCARELLA LAW FIRM  
Attorney for Defendant Espinel  
22 BY: JAMES A. PASCARELLA

23 THE LAW OFFICE OF JOSEPH DiBENEDETTO, P.C.  
24 Attorney for Defendant Velastro  
25 BY: JOSEPH DiBENEDETTO

h7c2deaC kjc

1 (Case called)

2 THE DEPUTY CLERK: Counsel, please state your name for  
3 the record.

4 MR. CAPONE: Russell Capone for the government, and  
5 with me at counsel table are AUSAs Lauren Schorr and Kan  
6 Nawaday. Good afternoon your Honor.

7 THE COURT: Good afternoon.

8 For Mr. Espinel?

9 MR. PASCARELLA: Pascarella Law Firm, by James A.  
10 Pascarella, 1551 Franklin Avenue, Mineola, New York 11501.  
11 Good afternoon, your Honor.

12 MR. GEORGE: For Mr. Dean, Abe George, 44 Wall Street,  
13 New York, New York 10005. Good afternoon, your Honor.

14 THE COURT: Good afternoon.

15 MR. DiBENEDETTO: Hi, Judge. Joseph DiBenedetto for  
16 Mr. Velastro.

17 THE COURT: And I take it that these are the  
18 defendants sitting here in the jury box?

19 MR. DiBENEDETTO: Yes, Judge.

20 THE COURT: Can someone introduce to me who they are?

21 MR. DiBENEDETTO: Judge, my client, Mr. Velastro, is  
22 the first person seated.

23 THE COURT: Okay.

24 MR. PASCARELLA: My client, Mr. Espinel, is in the  
25 middle.

h7c2deaC kjc

1 MR. GEORGE: And obviously, last but not least,  
2 Mr. Dean.

3 THE COURT: Everyone can be seated.

4 Mr. Capone, have the defendants been arraigned on the  
5 indictment?

6 MR. CAPONE: They have not, your Honor. They were  
7 indicted on June 22. Time has been excluded from June 27  
8 through today. But, due to various vacation schedules, this is  
9 our first appearance in court on the case, and they have not  
10 been arraigned.

11 THE COURT: Very well. Let me address, in the first  
12 instance, Mr. Dean.

13 Mr. Dean, have you received a copy of the indictment,  
14 or Mr. George on his behalf, and do you wish a public reading  
15 of the indictment?

16 DEFENDANT DEAN: No.

17 THE COURT: How do you plead? Guilty or not guilty.

18 DEFENDANT DEAN: Not guilty.

19 THE COURT: Mr. Espinel, have you received a copy of  
20 the indictment?

21 DEFENDANT ESPINEL: Yes, sir.

22 THE COURT: Do you want a public reading of the  
23 indictment?

24 DEFENDANT ESPINEL: No, sir.

25 THE COURT: How do you plead? Guilty or not guilty.

h7c2deaC kjc

1 DEFENDANT ESPINEL: Not guilty.

2 THE COURT: Mr. Velastro, have you received a copy of  
3 the indictment?

4 DEFENDANT VELASTRO: Yes.

5 THE COURT: Do you wish a public reading?

6 DEFENDANT VELASTRO: No, sir.

7 THE COURT: How do you plead? Guilty or not guilty.

8 DEFENDANT VELASTRO: Not guilty.

9 THE COURT: I take it that the defendants are out on  
10 bail conditions of some type?

11 MR. CAPONE: Yes, your Honor. They were initially  
12 arrested pursuant to a complaint, and bail conditions were  
13 set.

14 THE COURT: Okay.

15 So, Mr. Capone, why don't you tell me a little bit  
16 about the case and the discovery that's involved.

17 MR. CAPONE: Yes, your Honor.

18 This case involves bribery conspiracies at the  
19 licensing division of the New York City Police Department. Two  
20 of the defendants, Mr. Dean and Mr. Espinel, were previously  
21 employed there and subsequent to that retired. The case  
22 involves conspiracy to bribe them, while they were still at the  
23 licensing division, to issue gun licenses and to expedite gun  
24 licenses, including by Mr. Velastro, who is employed in the  
25 private sector and owned a gun store, as well as a conspiracy

h7c2deaC kjc

1 amongst the three of them to go into the expediting business  
2 when Mr. Dean and Mr. Espinel retired, and then bribe their  
3 former colleagues inside the licensing division. That's the  
4 crux of the case.

5 Discovery is fairly voluminous. It involves a number  
6 of files from the NYPD's licensing division, phone records,  
7 cell site records, e-mails, bank records, consensual  
8 recordings, including of some of the defendants and some search  
9 warrant returns from coconspirators.

10 The government will produce probably about half of  
11 that discovery in the next day or two, and I ask for about  
12 three weeks to complete discovery.

13 THE COURT: Okay. Any objection to that scheduling  
14 from the defense table?

15 ALL COUNSEL: No, your Honor.

16 THE COURT: Mr. Capone, why don't you begin the  
17 process of educating me, if you will.

18 Is there a legitimate expediting industry in New York  
19 City or New York State?

20 MR. CAPONE: There is an expediting industry. There  
21 are individuals who make a living holding themselves out as  
22 being able to help others apply for gun licenses and go through  
23 the process at the NYPD. That said, it is not an  
24 NYPD-sanctioned industry. The NYPD does not represent that you  
25 are able to get something faster by using an expeditor, and

h7c2deaC kjc

1 there is no license or anything that you need to become an  
2 expediter. So there are expediters, there is nothing  
3 implicitly wrong with being an expediter, but it is not an  
4 official thing represented by NYPD -- official thing that the  
5 NYPD licenses or approves of.

6 THE COURT: I take it this is just New York City  
7 based?

8 MR. CAPONE: Five boroughs of New York City, yes, your  
9 Honor.

10 THE COURT: How long does it take to get a license in  
11 the ordinary course, if you know?

12 MR. CAPONE: Our understanding, based on the  
13 investigation, is that typically it would take upwards -- it  
14 would take a period of months, up to six months or so to get a  
15 typical license. To get a concealed carry license to be able  
16 to carry it anywhere in New York City on your person could take  
17 up to a year or longer. The allegations in this case are that  
18 those licenses were expedited and approved often in a matter of  
19 weeks.

20 THE COURT: These are the ones that involve these  
21 defendants?

22 MR. CAPONE: Yes, your Honor.

23 THE COURT: What about, if you know, what do  
24 legitimate expediters offer by way of time savings?

25 MR. CAPONE: What do legitimate expediters offer by

h7c2deaC kjc

1 way of time savings. It is the government's belief that these  
2 are, and I'm sure defendants might dispute that, that there is  
3 not that much time that's saved by going through an expediter.  
4 The forms are fairly simple, and so I don't believe that that  
5 much time is saved in the ordinary course. Obviously, again,  
6 in this case, a significant amount of time was saved by people  
7 who used the expediters at issue, and it is the government's  
8 allegation that that was because, in part, people at the  
9 licensing division were being paid either in cash or in gifts.

10 THE COURT: Is there any part of this case that  
11 involves an allocation that individuals that would not have  
12 gotten a license were getting licenses?

13 MR. CAPONE: Yes, your Honor. That is -- the  
14 government expects that if this case went to trial, that would  
15 be among -- we would prove that individuals who otherwise would  
16 have been rejected were given licenses.

17 THE COURT: Okay.

18 So how do you wish to proceed? All the discovery will  
19 be turned over in the next two weeks approximately or three  
20 weeks.

21 MR. CAPONE: Three weeks, if your Honor is all right  
22 with that, which puts us at about August 1 or so. I think it  
23 would take at least a month for the defendants to begin  
24 assessing it, so it might make sense to come back in September.

25 THE COURT: Okay.

h7c2deaC kjc

1 MR. DiBENEDETTO: Your Honor, if I may, Joseph  
2 DiBenedetto for Mr. Velastro. I do have some vacation  
3 scheduled in the month of August. I understand that your Honor  
4 would like to keep things on a tight schedule. Would your  
5 Honor consider a late September date?

6 THE COURT: Certainly. Whenever you folks want to  
7 come back.

8 (Defense counsel confer)

9 MR. GEORGE: Judge, would your Honor mind pushing it  
10 to the next week, that first week of October?

11 THE COURT: I believe we are not on trial then, so --

12 MR. GEORGE: How about October 3, your Honor?

13 THE DEPUTY CLERK: Yes, October 3, at 11 a.m.

14 MR. GEORGE: Thank you.

15 THE COURT: Okay. Is there anything else that anyone  
16 from the defense table wishes to bring up?

17 MR. PASCARELLA: No, your Honor.

18 MR. DiBENEDETTO: Nothing, Judge.

19 MR. GEORGE: No, your Honor.

20 THE COURT: Mr. Capone, is there anything else that we  
21 need to do today?

22 MR. CAPONE: Your Honor, only to exclude time, and the  
23 government does make that application to exclude time between  
24 now and October 3 so that the defendants can begin reviewing  
25 discovery, contemplating motions, and that the parties can



h7c2deaC kjc

1 discuss any potential dispositions of this case.

2 THE COURT: Any objection?

3 MR. PASCARELLA: No, your Honor.

4 MR. DiBENEDETTO: No, Judge.

5 MR. GEORGE: No, your Honor.

6 THE COURT: In that event, I will exclude the time  
7 between now and October 3 under Speedy Trial Act for the  
8 reasons set forth on the record by Mr. Capone; and unless there  
9 is anything else, we are adjourned.

10 MR. CAPONE: Thank you, Judge.

11 - - -